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17 FEB 1977

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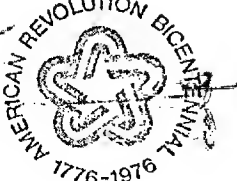
Mr. John V. Rainbolt, II
Vice Chairman of the Commodity
Futures Trading Commission
2033 K Street, N.W.
Washington, D.C. 20581

Dear Mr. Rainbolt:

This is in response to your letter of 24 January 1977. The Agency would like to cooperate, but our present collection effort and analytical resources are not geared to provide the kind of information you need to monitor foreign state trading organizations operating in the U.S. Our charter prohibits targeting against foreign companies or persons in the US.

We have a small staff in our Office of Economic Research (OER) analyzing global economic developments pertaining to selected agricultural commodities and raw materials. Our foreign collection effort in support of this work is solely for the purpose of gathering information on size of commodity purchases, destination or origins, and terms of trade. Information pertaining to foreign buyer activities in the commodity futures market -- foreign or US -- is not collected by CIA.

Over the past year, OER has supplied CFTC with economic intelligence reports on world supply/demand prospects for specific agriculture commodities (coffee, cocoa, grain). These studies include, to the extent known, any efforts by foreign governments to influence international prices by withholding commodities for export and/or by excessive buying to corner the market. Possibly such information might be useful to CFTC in flagging potential commodities as candidates for manipulation by foreign governments on the US futures markets. OER analysts have also responded to specific questions about foreign commodity developments from Commissioner Gary Seevers and Staff Member Norm Ross.

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We would be glad to discuss in more detail our analytical work on commodities with you and/or members of your staff. If you wish to follow through, please contact the Director of Economic Research, [redacted] to set up such a meeting.

Sincerely,

/s/ E. H. Knoche

E. H. Knoche
Acting Director

Letter to Mr. John V. Rainbolt, II, Vice Chairman
of the Commodity Futures Trading Commission from
Acting Director, Central Intelligence.

CONCUR

James Stevenson

16 FEB 1977

Deputy Director for Intelligence

Date

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